

This record is a partial extract of the original cable. The full text of the original cable is not available.

S E C R E T SECTION 01 OF 08 KATHMANDU 002146

SIPDIS

NOFORN

DEPT FOR G, DRL, S/P, SA
NSC FOR GREEN
LONDON FOR BELL

E.O. 12958: DECL: 09/30/2015
TAGS: [AMGT](#) [KDEM](#) [PHUM](#) [PGOV](#) [PREL](#) [ASEC](#) [EAID](#) [NP](#)
SUBJECT: DEMOCRACY PROMOTION STRATEGY FOR NEPAL

REF: SECSTATE 169895

Classified By: Ambassador James F. Moriarty, Reasons 1.4 (b/d)

Introduction: URGENCY IN ADDRESSING DEMOCRACY AND MAOIST
INSURGENCY IN NEPAL

11. (C) Embassy Kathmandu welcomes the opportunity to respond to the Secretary's call for a strategic and systematic review of our democracy promotion efforts. The situation in Nepal is fragile and deteriorating rapidly. The main impediment to the growth of democracy here is the violent Maoist insurgency, but the King's recent anti-democratic actions have increased the possibility that the Maoists will succeed in their goal of imposing totalitarian rule. The King's February 1 seizure of power, followed by a number of measures which have further alienated Nepal's political parties from the Palace, have not only fueled a deepening constitutional crisis but also strengthened the hand of the Maoists. The Maoists and political parties have begun talking about increasing their cooperation; the Parties are motivated to do so to increase pressure on the King toward compromise while the Maoists see an alliance with the Parties as a means to overthrow the King and a shortcut toward seizing power. In the immediate term, our democracy efforts need to focus on encouraging the King to abandon his dangerous course of alienating the political parties and instead seek unity among Nepal's legitimate political forces. Our strategy therefore includes a carrots and sticks package for King Gyanendra. In the longer term, efforts should focus on strengthening Nepal's fragile democratic institutions as well as on preventing a Maoist takeover. While democratic institutions will be essential to a lasting solution to the insurgency, efforts to promote such institutions will be hampered by and must be designed against the backdrop of Maoist violence and extremist objectives.

KEY ELEMENTS OF DIPLOMATIC STRATEGY

High-Level Visit

12. (C) Given the urgency of the situation here, we should consider intensifying the pressure on the King to reach out to the political parties to seek agreement on a way forward. We hope Gyanendra would be receptive to a tough love message accompanied by a package of carrots and sticks, especially if delivered by a high-level emissary. A presidential letter to the King could be instrumental in helping him save face and climb down. The high-level visit also serves to provide high-media exposure of democratic themes.

Carrots/Sticks Package

13. (C) We should offer the King a way out of the current impasse by letting him know the USG is prepared to offer a package of carrots if he does the right thing and sticks as consequences if he continues on his present course or takes even more repressive actions. We should offer to establish a long-term relationship involving substantial development and security assistance as well as more intensive engagement on issues of mutual interest. The package could be phased to reward progress on returning to democracy. We believe that the Royal Nepalese Army (RNA) may be an important lever to use to convince the King to alter course. The King relies on the RNA for support, and is likely to heed his generals' advice. Some in the RNA have started to question the King's course, and perhaps would be open to alternatives that would ensure the Army's institutional survival rather than following the King over an abyss. In addition, we need to continually consider the importance of providing support to the RNA to enable it to effectively address the insurgency. Should the insurgents begin to make significant military gains, we would need to be in a position to adjust our security assistance. Given

the rapidly deteriorating situation, it makes sense to include a robust security assistance package, which is tied to democracy benchmarks, as one of our carrots. We should be prepared to present this tough love message to the King soon. We are very concerned that by early to mid-November the situation here could get dramatically worse. Daily protests numbering in the hundreds of thousands instead of tens of thousands would increase the potential for violence. If the Maoists and the political parties forge a closer working relationship, the likelihood of violence escalates even further.

Flexibility Given Uncertain Outcomes

14. (S/NF) Our strategy also needs to be nuanced and flexible to react to evolving political events. Given the uncertainties, we should be prepared to react to the various possible scenarios: The King reaches out to the political parties and the legitimate political forces unite on a way back to democracy and addressing the Maoist insurgency; The King takes more repressive moves, such as outlawing the political parties or declaring martial law, and the Maoists take advantage and make significant progress; or, The King allows the situation to continue deteriorating without taking further action. We will need to be prepared to think about whether there are ways to ensure that the possible collapse of the Monarchy does not lend to large advances by the Maoists -- focusing on steps we can take to ensure a "soft landing."

Work with Our International Partners

15. (S) Continuing to work with our international partners will be key to achieving our democracy goals. We need to ensure we share our views and strategies and emphasize the same messages. To effectively address the Maoist insurgency and restore democratic institutions, extreme caution will be necessary. The Maoists are eager to use the King's missteps for their own end and we need to remind our partners that the Maoists' goal remains the seizure of all state power. Although killings have decreased since the Maoists declared their September 3 three-month cease-fire, abductions and extortion continue unchecked. We need to engage actively with India and Europe to make sure that they, and other external forces trying to get involved here, do not push the parties toward some sort of functional alliance with the Maoists.

Needed: PD Strategy and Resources

16. (C) Washington and Post must fashion a clear and coordinated PD strategy to ensure U.S. policy to advance freedom, democracy, and human rights in Nepal is accurately grasped by media (national and international) and the broader Nepali public.

17. (SBU) Embassy requests additional resources, specifically to create and fill a position in the Political/Economic Section and an Information Officer in the Public Affairs Section, in order to implement this strategy. USAID is finalizing its triennial strategy for Nepal; its strategy has alternative proposals for funding levels. To accomplish our democracy strategy effectively, Washington should consider funding at the highest levels allowing a number of proposed interventions that could bear immediate fruit. End Introduction.

KEY AREAS OF DEMOCRACY DEFICIT AND DESIRED OUTCOMES

18. (C) Following are answers to specific questions raised in refel:

The ten-year Maoist insurgency poses considerable obstacles to Nepal making progress on democracy. The King's February 1 actions were a significant setback to the nascent democracy in Nepal.

-- The lack of a representative government at any level is a key democracy deficit. The Maoist violent insurgency has prevented Nepal from holding elections since 1999 and makes the prospect of future elections questionable. His Majesty's Government of Nepal (HMGN) has proposed holding municipal elections by April 2006. Thus far, the mainstream political parties have said they will not participate in these elections; the seven-party Alliance insists on the reinstatement of Parliament (dissolved in 2002), a step the King opposes, citing the Supreme Court's decision that the dissolution was constitutional.

Desired outcome: The Palace and the Parties agree on a way ahead on returning to democracy, be it elections, reinstatement of Parliament, appointment of an interim

government, or some other arrangement.

-- Elections are a critical element of democracy, as they are the only means to test the people's will and restore functioning democratic institutions.

Desired Outcome: Free and fair elections. If the legitimate political forces (the Palace and the Parties) reach agreement, municipal elections could be held in a phased manner to address security concerns.

-- Even though the King's popular support has declined steadily since July when he expanded his Cabinet and the Royal Commission for Corruption Control convicted former PM Deuba, public support for the political parties has not increased. Currently, the political parties are focusing all their energy on organizing and participating in demonstrations against the King's rule rather than on a positive agenda.

Desired outcome: The political parties become entities perceived by the public as viable to run the government. To do so, the Parties need to focus on internal reforms, including intra-party democracy, transparency and anti-corruption.

-- Nepal's lack of institutions with legitimacy is a serious democracy deficit. A strong and independent judiciary is sorely needed. The Government continues to apply pressure on the courts, and corruption remains a serious problem. The constitutionally-mandated Commission on the Investigation of Abuse of Authority (CIAA) deserves strengthening and support.

Desired outcome: A stronger, cleaner and more independent judiciary system capable of serving as a check on the executive branch and protecting the Constitution.

-- There are growing challenges to media freedom. HMGN has pressured media on several fronts -- e.g., publicly threatening unspecified measures against an English-language newspaper for an anti-monarchy editorial cartoon and seeking in court to prohibit private radio stations from broadcasting their own news reports.

Desired Outcome: Editors and broadcast media managers cover developments in Nepal with less hindrance and threat of government reprisals. Media organizations strengthen their ability to provide independent coverage and commentary, and to safeguard media independence through legal and regulatory means.

DIPLOMATIC AND PROGRAMMATIC STRATEGY

9. (C) As noted above, Nepal's political situation could deteriorate rapidly within the next two months. We thus need to marshal a diplomatic effort to impress upon the King the risk his current course of action poses to Nepal. If the King and the political parties agree on a way back to democracy, the international community will need to be poised to provide additional assistance, possibly including election monitors. In the event that, despite our best efforts, the King imposes more repressive measures, we will need to continue to work diplomatically to encourage the political parties to pursue a program that will permit a soft-landing -- a post-Monarchy future that does not allow the Maoists to take advantage of chaos to grab power.

10. (SBU) Post, through Public Affairs Section (PAS) media and cultural programs, USAID and Embassy activities, consistently promotes democracy and its benefits. Ongoing efforts include:

--Close coordination with India, UK and other international partners.

-- Ambassador's public diplomacy efforts on democracy. Tied to political developments, PAS places newspaper op-eds by the Ambassador and/or other prominent USG officials. When appropriate, PAS arranges interviews with the Ambassador in important Nepali TV and print media. The Ambassador delivers at least one major policy speech detailing U.S. views. While promoting democratic developments, the Ambassador's PD interventions will consistently stress the Maoist threat and their goal of one-party authoritarian rule over Nepal.

-- Engagement with political party representatives on plans to promote democracy.

-- Strengthening institutional and individual capacity for

good governance. Such efforts encourage democratic ideals and help to establish the institutional foundations that will support free and fair elections and a restored parliamentary government.

-- Improving the capability of the Election Commission to be ready for elections. In the event of an improved climate for elections, the program would shift to direct support of the process.

-- Reforming and strengthening the political parties.

-- Undertaking activities to strengthen the permanent staff still associated with the dismissed Parliament and to support the anti-corruption elements of HMGN, such as the CIAA, Customs and Revenue Offices, and the Auditor general.

-- Devoting significant resources to enhancing the judicial system, including training and commodities for the judiciary as well as alternative dispute resolution options to enhance public access to an efficient judicial system.

-- Working with R to include mention of Nepal, where appropriate, in public statements on democracy and freedom by the Secretary and other top USG officials.

-- Launching a series of digital videoconferences (DVCs) with prominent, expert USG and non-USG speakers on democracy in Nepal and the threat of the Maoist insurgency to Nepal's future. On-the-record programs should receive good media play in Nepal, as did a recent DVC with former U.S. envoy Julia Chang Bloch. Timing: Every three-four weeks.

-- Hosting at least three IIP speakers in Nepal on democracy-focused themes such as community media/radio, media regulation, journalism training, strategic communication for political parties, party organization (development, promotion, funding), etc.

-- Continuing activities in support of HMGN's Peace Secretariat with the objective of enabling it to engage

SIPDIS
political
actors in Nepal and serve as a forum to shape a peace process.

-- Continuing support for the UN Office of the High Commissioner for Human Rights.
-- Educational and library programs related to democracy, such as book translations and Article Alert services. Such IIP and library-generated products are frequently used by media and other high-level contacts.

11. (C) Additional specific proposed actions/events for the next six months:

OCTOBER

-- Dispatch Emissary with presidential letter and package of carrots and sticks.

Possible Carrots

-- Offer to work with Congress to establish a long-term relationship with Nepal that would involve not only more military and development assistance but also an institutionalized engagement in various areas of mutual interest.

-- Offer to examine possibility of Nepal participating in the Millennium Challenge Account.

-- Support (and help garner international support) for Nepali participation in fora such as the Community of Democracies.

-- Offer to work with Congress to substantially increase development assistance.

-- Offer to work with Congress to provide a robust security assistance package that would be phased and tied to progress on specific events. Elements of such a package could include rifles, helicopters, training, night vision devices and communications equipment.

Possible Sticks

-- Suspend senior U.S. visits to Nepal and oppose senior Nepalese visits to the U.S.

-- Formally suspend all military training (no more case-by-case review).

-- Suspend all, including non-lethal, military assistance.

-- Alert HMGN that we plan to increase public statements critical of the King.

-- Recall Ambassador Moriarty for consultations, and encourage India and the UK to recall their ambassadors as well.

-- Notify HMGN that we plan to support an Item 9 resolution on Nepal at the 2006 UN Commission on Human Rights.

NOVEMBER

-- Organize and co-sponsor a conference on "Democracy, Nepal, and South Asia." Guest speakers from the region, the United States, and perhaps third countries address democracy, civil liberties, civil-military relations, and internal conflict. Invite a high-level speaker from the Department, such as U/S Burns, U/S Dobriansky or Deputy Secretary Zoellick, to open the conference either in person

SIPDIS

or via videoconference to ensure wide media attention. The conference should draw media, academic, political, civil society, and government attention to issues of democracy in Nepal. It would also highlight trends and strengths of democracy in South Asia and promote regional cooperation.

-- Support Voice of America (VOA) staff to conduct an assessment of Nepal's media environment to determine how USG civilian broadcast agencies can best support democracy in Nepal, working with SA/PPD. Possible outcomes are resumption of VOA Nepali service on radio (shortwave or FM); special democracy radio programming for Nepal produced by VOA; possible VOA-TV collaboration with private Nepali broadcasters; and subsequent VOA training for local journalists, especially community radio broadcasters.

DECEMBER

-- Organize a live (or videotaped) interview on Nepali TV via satellite with SecState to support/encourage democratic developments in Nepal, if warranted by developments.

-- Provide study tours for lower court judges to provide them access to the international judicial community, from which they can learn modern jurisprudence and also find a community of support for judicial independence, which is lacking in Nepal.

-- Consider training in the investigation and prosecution of financial crimes. The skills to track the money in fraud or corruption cases are equally applicable in tracing terrorist connections; we should consider using counter-terrorism resources to finance such training.

-- Conduct a poll to survey attitudes of Nepalis on topics such as democracy, the monarchy, and other key topics.

JANUARY

-- Organize a SCP for five to seven IVLP participants from media, government, and legal sectors to examine media regulation in a democracy, a key issue in Nepal in light of HMGN's efforts to suppress radio news broadcasts, limit freedom of expression, and enact new laws to restrict media ownership. Participants would see that media regulation is not the same as censorship and that the United States has been able to balance freedom of speech with national security.

-- Organize a TV Co-op with a private Nepali broadcaster on freedom of speech in America. Co-op, aired on Nepali TV, would illustrate the vibrancy of political debate in America, drawing lessons for Nepal with its frequent political protests in Kathmandu.

-- Conduct an IVLP SCP for five-seven young political party leaders (translation required) to stress the role of developing young political leaders. Visitors would interact with American Council of Young Political Leaders and youth wings of Republican and Democrat parties. If timed simultaneously with TV Co-op on freedom of speech (proposed above), Co-op could include coverage of young political leaders interacting with U.S. counterparts, making Co-op production more attractive to Nepali broadcasters.

FEBRUARY

-- Collaborate with a prominent cultural institution to translate and perform an American play with a democracy theme.

-- Organize an "individuals traveling together" IVLP for three to four Nepali participants, likely

journalist/commentators and analysts, on civil-military relations in a democracy. Program would stress the military's role in a democracy and the paramount role of civilian leaders in determining a nation's defense resources and defense strategy.

-- Host American Film Festival with democracy theme.
MAJOR NEEDS TO ACCOMPLISH OBJECTIVES

Personnel Resources

12. (SBU) The Embassy lacks the personnel resources needed to accomplish these objectives. Post's 2006 MPP requested two additional positions to meet our current goals: a FSO-03 deputy for the Political/Economic Section and an FSO-03 Information Officer. Intensifying the promotion of democracy in a meaningful way will require these personnel. Post also requests that two positions we understand are currently programmed to be cut be reinstated as they are critical to meet both ongoing goals and new objectives - the Assistant Public Affairs Officer position and a Political/Economic Officer position. These two entry level positions reflect one-half and one-third of each section respectively. We would also highly benefit from an A/DATT. DIA is looking at a civilian A/DATT/Analyst position programmed for 07-08 but that strikes us as too long a delay.

High-Level Visits

13. (C) The diplomatic and programmatic strategy above calls for several high-level visitors, to possibly include: PACOM Admiral Fallon, Dr. Kissinger, Deputy Secretary Zoellick, P U/S Burns and G U/S Dobriansky. The presence of such high level officials in Nepal would highlight to the Nepali public the importance we place on democracy promotion, and provide an opportunity to effectively deliver our message to the King. In addition to high level visits, we would ask for cooperation with SA/PPD, IIP, and R in securing public statements from and DVC availability by high-level State Department officers.

Public Diplomacy Resources

14. (SBU) The November Democracy Conference will require about \$50,000, not available in PAS's regular budget. PAS also requests sufficient I-Bucks for IIP speakers and DVCs outlined above. The Department already has provided FY05 funding for the American theater and book translation projects, but PAS will require IIP assistance in gaining copyrights for the selected play and book, as well as for a potential film festival. TV Co-ops and IVLP SCPs would require additional IIP and ECA funding. A VOA staff visit and possible training would require limited funding, but a possible resulting initiative to launch a VOA Nepali radio service and/or special democracy programming on radio would require more expansive resources.

USAID Resources

15. (SBU) USAID's new country strategy for Nepal to commence in 2006-2007 represents a shift in the development approach to heighten concentration on conflict mitigation and improvement of the democracy/governance climate. While much of the strategy envisions longer term results, a number of proposed interventions could have an immediate impact and would be most effective if financed at the high-funding option of \$60M/year. The strategy is designed for maximum flexibility to respond to the fluidity of the political and security situations in Nepal. A possible new program is Community Policing, which would repair relations between communities and governmental forces and encourage village solidarity.

MAJOR IMPEDIMENTS TO ACCOMPLISHING OBJECTIVES

16. (C) The King's February 1 takeover was a tremendous setback to our twin, inter-related goals in Nepal: restoring democratic institutions and preventing a Maoist takeover. HMGN will likely continue to prevent the political parties and civil society from holding pro-democracy demonstrations in certain areas and towns. The parties will probably remain focused on the King rather than trying to promote reform from within to make themselves a more viable alternative for the public. HMGN may threaten or harass independent Nepali media organizations or individual journalists who cooperate with pro-democracy PD efforts. The Ministry of Information and Communication may begin to restrict DVC programs by making ISDN lines unavailable. (PAS has no alternative to Nepal Telecom ISDN lines at this time.) HMGN may restrict travel

of potential IVs, as happened with some activists who tried to leave the country during the State of Emergency.

INTERNATIONALIZING DEMOCRATIZATION EFFORTS

17. (C) India, China, Great Britain, and the EU have influence in Nepal. We should continue to coordinate closely with the international community, in particular India and the UK, on the steps outlined above. The November Democracy Conference must take into account India and also the wariness of Nepalese audiences to messages/interference from India. The conference could offer an opportunity for third country representatives to promote democratic development, softening possible "America only" perception of the event.

PROBLEMATIC HMGN POLICY AREAS

18. (C) Currently, there are many problematic HMGN policy areas. HMGN is considering pursuing municipal elections in April even if the political parties do not participate. The Government is currently pursuing a legal case to prevent private radio stations from collecting and broadcasting news. The Ministry of Information and Communication frequently makes incorrect statements about media freedom in other countries in an effort to legitimize its crackdown on journalists, especially in radio sector. Media programs should include ministry representatives where possible, and they would be essential to the media-themed IVLP SCP. We, along with the international community, are working with the Social Welfare Council as it drafts a Code of Conduct for NGOs and INGOs. We have raised concerns that the draft Code could affect our development assistance as well as impose restrictions on the rights to association and expression.

CONSEQUENCES OF PURSUING PROACTIVE REFORM AGENDA

19. (C) HMGN has already started publicly decrying the influence of foreign support for the political parties as a destabilizing force. An even more proactive USG role could intensify HMGN's displeasure with the U.S. Government-owned media likely will promote resentment and criticize U.S. efforts as interference in Nepal's internal affairs. HMGN could distance itself from the USG and seek support from countries with whom we have no influence or with whom we disagree on a range of policy issues. That said, pursuing the agenda could embolden the political parties to take the tough actions they need and undertake internal reform. It could also provide the support they need to stand up to the King without forging an alliance with the Maoists. Specific programs -- e.g., SCP on media regulation, (proposed) TV interview with SecState -- could concretely advance developments in Nepal, encouraging pro-democracy forces to continue and broaden their campaign to restore democratic government in Nepal and reject the Maoist goal of an authoritarian one-party state.

MORIARTY